

INFORMATION REPORT

CD NO.

CONFIDENTIAL

COUNTRY China

DATE DISTR. 23 OCT 51

SUBJECT Hainan Rubber Plantation

NO. OF PAGES 1

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1. In order to achieve self-sufficiency in rubber, the Chinese Communists have decided to encourage rubber plantations on Hainan and have called for investments from overseas Chinese to aid this cause. The project has been accelerated since the Hong Kong embargo on rubber shipments to China. In addition to the establishment of government owned plantations, privately owned plantations are being encouraged by the Hainan Military and Administrative Committee through a system of loans.
2. The Chinese Communist government has decided to invest one billion jen min p'iao in the development of rubber plantations on Hainan during 1951. The government will invest one third of the capitalization needed by the private plantations. Although these plantations are managed by private citizens, the government assumes a directing function. The profits will be divided according to the investment, one-third to the government and two-thirds to the plantation owner. Local associations and schools on Hainan have been asked to donate money and poor peasants have been called upon to work on the plantations.
3. Workers on privately owned plantations have been organized into the Rubber Plantation Union. The Rubber Plantation Administration has been authorized to devise methods of land allocation for those who are going to engage in private rubber production.
4. By the end of April all the organizational work was to be completed and work was to begin so that the first rubber trees could be tapped in 1951. The government was prepared to extend low interest loans to owners who needed additional financial aid. The Chinese Communist government has announced that it will grant awards to those who do superior work or improve techniques of rubber production.

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